

ADAMS COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024



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Board of Commissioners
Adams County
110 West Main Street
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We have reviewed the *Independent Auditor's Report* of Adams County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Adams County is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 12, 2025

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Adams County
Table of Contents
For the Year Ended December 31, 2024

<u>Title</u>	<u>Page</u>
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position – Cash Basis.....	12
Statement of Activities – Cash Basis	13
Fund Financial Statements	
Statement of Assets and Fund Balances – Cash Basis – Governmental Funds.....	15
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis – Governmental Funds	17
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis (Budgetary Basis) – General Fund	19
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis (Budgetary Basis) – Children Services Levy Fund.....	20
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis (Budgetary Basis) – Motor Vehicle Gas Tax Fund	21
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis (Budgetary Basis) – Job and Family Services Fund	22
Statement of Fund Net Position – Cash Basis – Proprietary Funds	23
Statement of Receipts, Disbursements and Changes in Fund Net Position – Cash Basis – Proprietary Funds	24
Statement of Fiduciary Net Position – Cash Basis – Fiduciary Funds.....	25
Statement of Changes in Fiduciary Net Position – Cash Basis – Fiduciary Funds	26
Notes to the Basic Financial Statements	27
Schedule of Federal Awards Expenditures.....	57
Notes to the Schedule of Federal Awards Expenditures	59
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	60

Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	62
Schedule of Findings and Questioned Costs	66
Corrective Action Plan	72
Schedule of Prior Audit Findings.....	73

Independent Auditor's Report

Board of Commissioners
Adams County
110 West Main Street
West Union, Ohio 45693

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Adams County, Ohio (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of December 31, 2024, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General, Children Services Levy, Motor Vehicle Gas Tax, and Job and Family Services Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Accounting Basis

Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Restatement of Beginning Net Position

As discussed in Note 18 to the financial statements the County restated beginning net position and fund balance for business-type activities and other enterprise fund, respectively. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

Adams County
Independent Auditor's Report
Page 3

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Federal Awards Expenditures as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Federal Awards Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

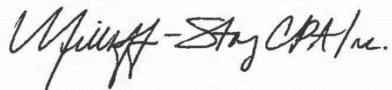
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 2, 2025

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

The discussion and analysis of Adams County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2024, within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements.

Financial Highlights

Key financial highlights for 2024 are as follows:

Overall:

- Total net position decreased \$765,335 with governmental activities decreasing by \$725,597 and business-type activities decreasing by \$39,738.
- Total cash receipts were \$44,213,461 in 2024.
- Total cash disbursements were \$44,978,796 in 2024.

Governmental Activities:

Total program cash receipts were \$28,326,468 in 2024, while program cash disbursements were \$44,881,864. Program cash disbursements were primarily composed of general government-legislative and executive, general government-judicial, public safety, public works, health, human services, community and economic development, and capital outlay cash disbursements which were \$5,958,668, \$2,475,166, \$5,769,518, \$5,327,635, \$4,025,566, \$14,456,048, \$662,829, and \$5,410,830, respectively, in 2024.

Business-Type Activities:

Program cash receipts were \$51,543 for business-type activities, while corresponding cash disbursements were \$96,932.

Using this Basic Financial Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

The statement of net position-cash basis and statement of activities-cash basis provide information about the activities of the whole County, presenting an aggregate view of the County's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed and what remains for future spending on the cash basis. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, the general fund, the children services levy fund, the motor vehicle gas tax fund, and the job and family services fund are the most significant funds and have been presented as major funds.

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which the County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and the other separate legal entities. The primary government consists of Adams County. The component unit presentation includes the Adams County Land Reutilization Corporation presented on a cash basis in the statement of net position and statement of activities.

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Statement of Net Position-Cash Basis and the Statement of Activities-Cash Basis

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position-cash basis and the statement of activities-cash basis report information about the County as a whole and about its activities in a way that helps answer this question. These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's net position and changes in that position. This change in net position is important because it tells the reader whether, for the County as a whole, the cash basis financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position-cash basis and the statement of activities-cash basis, the County is divided into three distinct kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, community and economic development, other, capital outlay, intergovernmental, and debt service.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The County's wastewater treatment program is reported as a business-type activity.

Component Unit Activities – As more fully described in Note 1 – Reporting Entity, the Adams County Land Reutilization Corporation is considered a component unit. Although Adams County Land Reutilization Corporation is a separate legal entity, the County includes their activities since the County is financially accountable for this entity.

Reporting the County's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's most significant funds that have been presented as major governmental funds are the general fund, the children services levy fund, the motor vehicle gas tax fund, and the job and family services fund.

Governmental Funds – Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the net position and cash basis fund balances or changes in net position and changes in cash basis fund balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the statement of activities-cash basis due to transfers and advances netted on the statement of activities-cash basis. See note 2 to the basic financial statements entitled government-wide financial statements.

Proprietary Funds – The County's proprietary fund uses the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in statements for the County as a whole.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The basis of accounting used for fiduciary funds is the cash basis of accounting. The County's only fiduciary funds are custodial funds.

The County as a Whole

Recall that the statement of net position-cash basis provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2024 as compared to 2023:

Table 1
 Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023*	2024	2023*
Assets						
Equity in Pooled Cash and Cash Equivalents	\$26,312,790	\$27,038,476	\$30,791	\$70,529	\$26,343,581	\$27,109,005
Cash and Cash Equivalents in Segregated Accounts	144,121	144,032	0	0	144,121	144,032
<i>Total Assets</i>	<i>26,456,911</i>	<i>27,182,508</i>	<i>30,791</i>	<i>70,529</i>	<i>26,487,702</i>	<i>27,253,037</i>
Net Position						
Restricted	19,277,797	20,043,727	0	0	19,277,797	20,043,727
Unrestricted	7,179,114	7,138,781	30,791	70,529	7,209,905	7,209,310
<i>Total Net Position</i>	<i>\$26,456,911</i>	<i>\$27,182,508</i>	<i>\$30,791</i>	<i>\$70,529</i>	<i>\$26,487,702</i>	<i>\$27,253,037</i>

*Restated. See note 18 of the notes to the basic financial statements.

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Table 2 shows the changes in net position for 2024 as compared to 2023.

Table 2
Net Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Receipts						
Program Cash Receipts						
Charges for Services and Sales	\$6,628,085	\$5,287,427	\$32,374	\$13,395	\$6,660,459	\$5,300,822
Operating Grants, Contributions, and Interest	17,077,050	16,745,000	0	0	17,077,050	16,745,000
Capital Grants, Contributions, and Interest	4,621,333	1,701,836	19,169	0	4,640,502	1,701,836
<i>Total Program Cash Receipts</i>	<i>28,326,468</i>	<i>23,734,263</i>	<i>51,543</i>	<i>13,395</i>	<i>28,378,011</i>	<i>23,747,658</i>
General Cash Receipts						
Property Taxes	6,270,156	6,083,185	0	0	6,270,156	6,083,185
Sales Taxes	5,745,664	6,036,738	0	0	5,745,664	6,036,738
Other Local Taxes	63,136	66,056	0	0	63,136	66,056
Payments in Lieu of Taxes	0	0	0	0	0	0
Grants and Entitlements not Restricted to Special Programs	1,304,075	1,267,913	0	0	1,304,075	1,267,913
Contributions and Donations not Restricted to Special Programs	12,850	23,111	0	0	12,850	23,111
Interest	1,195,950	1,126,350	0	0	1,195,950	1,126,350
Miscellaneous	890,217	249,751	651	0	890,868	249,751
Insurance Recoveries	79,751	101,521	0	0	79,751	101,521
Proceeds from Sale of Assets	0	317,300	0	0	0	317,300
Proceeds from Bonds	273,000	0	0	0	273,000	0
Transfers	(5,000)	(53,025)	5,000	53,025	0	0
<i>Total General Cash Receipts</i>	<i>15,829,799</i>	<i>15,218,900</i>	<i>5,651</i>	<i>53,025</i>	<i>15,835,450</i>	<i>15,271,925</i>
<i>Total Cash Receipts</i>	<i>44,156,267</i>	<i>38,953,163</i>	<i>57,194</i>	<i>66,420</i>	<i>44,213,461</i>	<i>39,019,583</i>

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Table 2
 Net Change in Net Position
 (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Cash Disbursements						
Program Cash Disbursements						
General Government						
Legislative and Executive	\$5,958,668	\$5,505,690	\$0	\$0	\$5,958,668	\$5,505,690
Judicial	2,475,166	2,321,868	0	0	2,475,166	2,321,868
Public Safety	5,769,518	4,826,851	0	0	5,769,518	4,826,851
Public Works	5,327,635	2,761,230	0	0	5,327,635	2,761,230
Health	4,025,566	3,632,148	0	0	4,025,566	3,632,148
Human Services	14,456,048	13,897,443	0	0	14,456,048	13,897,443
Community and Economic						
Development	662,829	958,475			662,829	958,475
Other	0	5,808	0	0	0	5,808
Capital Outlay	5,410,830	5,232,468	0	0	5,410,830	5,232,468
Intergovernmental	349,607	288,649	0	0	349,607	288,649
Debt Service:						
Principal	404,699	280,806	0	0	404,699	280,806
Interest	41,298	42,187	0	0	41,298	42,187
Adams Co Training & Business Center	0	0	37,730	0	37,730	0
Sewer	0	0	59,202	15,161	59,202	15,161
<i>Total Cash Disbursements</i>	<i>44,881,864</i>	<i>39,753,623</i>	<i>96,932</i>	<i>15,161</i>	<i>44,978,796</i>	<i>39,768,784</i>
<i>Change in Net Position</i>	<i>(725,597)</i>	<i>(800,460)</i>	<i>(39,738)</i>	<i>51,259</i>	<i>(765,335)</i>	<i>(749,201)</i>
<i>Net Position at Beginning of Year, As Previously Reported</i>	<i>27,182,508</i>	<i>27,982,968</i>	<i>65,529</i>	<i>14,270</i>	<i>27,248,037</i>	<i>27,997,238</i>
<i>Restatement</i>	<i>0</i>	<i>0</i>	<i>5,000</i>	<i>0</i>	<i>5,000</i>	<i>0</i>
<i>Net Position at Beginning of Year, As Restated</i>	<i>27,182,508</i>	<i>27,982,968</i>	<i>70,529</i>	<i>14,270</i>	<i>27,253,037</i>	<i>27,997,238</i>
<i>Net Position at End of Year</i>	<i>\$26,456,911</i>	<i>\$27,182,508</i>	<i>\$30,791</i>	<i>\$65,529</i>	<i>\$26,487,702</i>	<i>\$27,248,037</i>

Governmental Activities

Net position decreased \$725,597 in governmental activities in 2024. Program cash receipts were composed of charges for services, operating grants, contributions, and interest, and capital grants, contributions, and interest which were \$6,628,085, \$17,077,050, and \$4,621,333, respectively. Cash receipts for governmental activities increased \$5,203,104 primarily due to an increase in charges for services for ambulance services, real estate assessment and Title IV-D contracts, capital grants for public works projects and miscellaneous revenue, which was partially offset by a decrease in sales tax receipts from the prior year.

Program cash disbursements increased \$5,128,241 as legislative and executive and public safety disbursements increased between years due to an increase in operating costs and 911 and probation services.

Property taxes, sales taxes and operating grants, contributions, and interest made up 14, 13, and 39 percent of total revenues, respectively, for governmental activities for the County in 2024.

The statement of activities-cash basis shows the cost of program services and the charges for services and grants, contributions, and interest offsetting those services. Table 3 shows, for governmental and business-type activities,

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

the total cost of services and the net cost of services (on the cash basis) for the County. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The dependence upon tax receipts and intergovernmental monies for governmental activities is apparent. For all governmental activities, general cash receipts support is 37 percent as shown in Table 2. The taxpayers and the State of Ohio, as a whole, provide the vast majority of resources for Adams County.

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<i>Governmental Activities:</i>				
General Government				
Legislative and Executive	\$5,958,668	\$3,972,784	\$5,505,690	\$3,735,896
Judicial	2,475,166	1,603,694	2,321,868	1,575,032
Public Safety	5,769,518	3,410,451	4,826,851	3,011,016
Public Works	5,327,635	(2,402,400)	2,761,230	(2,769,063)
Health	4,025,566	2,578,805	3,632,148	2,571,175
Human Services	14,456,048	3,543,843	13,897,443	3,058,820
Community and Economic Development	662,829	277,132	958,475	760,476
Other	0	0	5,808	5,533
Capital Outlay	5,410,830	2,847,218	5,232,468	3,516,422
Intergovernmental	349,607	292,769	288,649	245,564
Debt Service:				
Principal Retirement	404,699	395,660	280,806	272,054
Interest and Fiscal Charges	41,298	35,440	42,187	36,435
<i>Total Cash Disbursements – Governmental Activities</i>	\$44,881,864	\$16,555,396	\$39,753,623	\$16,019,360
<i>Business-Type Activities:</i>				
Adams Co. Train. & Bus. Center	\$37,730	(\$914)	\$0	\$0
Rome Village Sewer	53,127	41,908	8,613	(2,703)
Sewer	6,075	4,395	6,548	4,469
<i>Total Cash Disbursements – Business-Type Activities</i>	\$96,932	\$45,389	\$15,161	\$1,766

Business-Type Activities

Business-type activities include the Adams County training and business center and wastewater treatment services. Program cash receipts did not fully support the sewer programs' business-type activities as program cash disbursements exceeded program cash receipts. Program cash disbursements were below program cash receipts by \$914 for the training and business center. Overall net position decreased \$39,738 from 2023 to 2024.

The County's Funds

These funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$46,320,565 and cash disbursements and other financing uses of \$47,046,162. The net change in fund balance for the year was most significant in the motor vehicle gas tax fund, which increased \$512,336 due to an increase in intergovernmental revenue and a decrease in disbursements due to timing of

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

payments. The fund balance in the general fund increased \$47,343 due to an increase in overall revenues, which was partially offset by an increase in disbursements. The fund balance of the children services levy fund decreased \$498,725 due primarily to decreases in transfers in during the current year. The fund balance in the job and family services fund increased \$19,224, which was not significant.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. For the general fund, final budget basis receipts and other financing sources were \$10,377,681, above original budget estimates of \$9,801,854. Of this \$575,827 difference, sales tax and other receipts increased most significantly. Actual cash basis receipts and other financing sources were \$2,202,861 higher than final budgeted receipts due higher than expected sales tax collections, interest, and other revenue. Final budgeted appropriations and other financing uses were \$14,350,498, which were above original appropriations and other financing uses of \$12,711,366. Of the \$1,639,132 difference, final budgeted appropriations in general government-legislative and executive decreased while transfers out increased most significantly. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were \$13,054,217, which was \$1,296,281 below final budgeted appropriations. The actual fund balance for the general fund exceeded the final budgeted fund balance by \$3,499,142.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$5,410,830 during 2024.

Debt

Under the cash basis of accounting, the County does not report bonds or long-term loans in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds, long-term notes and short-term notes. At December 31, 2024, the County had \$1,742,635 in bonds and loans for governmental activities. For additional information on debt, please see note 9.

Table 4 summarizes bond and loan balances outstanding for governmental activities at December 31, 2024 and 2023:

Table 4
Outstanding Debt at December 31
Business-Type Activities

	2024	2023
General Obligation Bonds	\$752,200	\$585,000
Special Assessment Bonds	162,516	171,555
Vehicle Loan	0	167,052
West Fork Road Improvement Bonds	0	14,000
Land Acquisition Bonds	69,040	77,670
OPWC Loans	758,879	859,057
Totals	\$1,742,635	\$1,874,334

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Current Financial Related Activities

As the preceding information shows, the County heavily depends on its property taxpayers and sales taxpayers as well as intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation and sales taxes are dependent upon the economy, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Gifford, County Auditor of Adams County, 110 West Main Street, Room 104, West Union, Ohio 45693-1395, or email at david.gifford@auditor.adamscountyooh.gov.

Adams County
Statement of Net Position - Cash Basis
As of December 31, 2024

	<u>Component Unit</u>		
	<u>Primary Government</u>		Adams County Land Reutilization Corporation
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$26,312,790	\$30,791	\$26,343,581
Cash and Cash Equivalents in Segregated Accounts	144,121	0	144,121
Cash and Cash Equivalents	0	0	0
<i>Total Assets</i>	<i>26,456,911</i>	<i>30,791</i>	<i>26,487,702</i>
Net Position			
Restricted for:			
Debt Service	7,926	0	7,926
Capital Outlay	1,355,839	0	1,355,839
ACBDD	1,921,178	0	1,921,178
Motor Vehicle Gas Tax	4,155,794	0	4,155,794
Job and Family Services	1,066,872	0	1,066,872
Ambulance and EMS	789,478	0	789,478
Real Estate Assessment	1,293,258	0	1,293,258
Child Support Enforcement	1,906,891	0	1,906,891
Job Training/Economic Development	237,233	0	237,233
911 Services	371,799	0	371,799
Delinquent Tax Collection	406,235	0	406,235
Probation Services	186,908	0	186,908
Children's Home	336,234	0	336,234
Children Services Levy	589,798	0	589,798
American Rescue Plan Act Grant	2,605,467	0	2,605,467
Other Purposes	1,989,068	0	1,989,068
Unclaimed Monies	57,819	0	57,819
Unrestricted	7,179,114	30,791	7,209,905
<i>Total Net Position</i>	<i>\$26,456,911</i>	<i>\$30,791</i>	<i>\$26,487,702</i>
			<i>\$310,850</i>

See accompanying notes to the basic financial statements.

Adams County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2024

	Disbursements	Program Receipts		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	\$5,958,668	\$1,931,942	\$53,942	\$0
Judicial	2,475,166	871,472	0	0
Public Safety	5,769,518	1,515,645	843,422	0
Public Works	5,327,635	68,098	5,583,213	2,078,724
Health	4,025,566	1,033,701	413,060	0
Human Services	14,456,048	1,087,570	9,824,635	0
Community and Economic Development	662,829	26,919	358,778	0
Capital Outlay	5,410,830	21,003	0	2,542,609
Intergovernmental	349,607	56,838	0	0
Debt Service:				
Principal	404,699	9,039	0	0
Interest	41,298	5,858	0	0
<i>Total Governmental Activities</i>	44,881,864	6,628,085	17,077,050	4,621,333

Business-Type Activities				
Adams County Training & Business Center	37,730	19,475	0	19,169
Rome Village Sewer	53,127	11,219	0	0
Sewer	6,075	1,680	0	0
<i>Total Business-Type Activities</i>	96,932	32,374	0	19,169
<i>Total Primary Government</i>	\$44,978,796	\$6,660,459	\$17,077,050	\$4,640,502

Component Unit				
Adams County Land Reutilization Corporation	\$441,436	\$185,127	\$0	\$0
<i>Total Component Unit</i>	\$441,436	\$185,127	\$0	\$0

General Receipts and Transfers

Property Taxes Levied for:

General Purposes

ACBDD

Children Services

EMS Services

911 System Services

Senior Citizens Services

Sales Taxes Levied for General Purposes

Other Local Taxes

Grants and Entitlements not Restricted to Specific Programs

Contributions and Donations not Restricted to Specific Programs

Interest

Miscellaneous

Insurance Recoveries

Proceeds from Bonds

Transfers

Total General Receipts and Transfers

Change in Net Position

Net Position Beginning of Year, As Previously Reported

Adjustment for Error Correction

Net Position Beginning of Year, As Restated

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Disbursements) Receipts and Changes in Net Position

<u>Primary Government</u>			<u>Component Unit</u>
Governmental Activities	Business-Type Activities	Total	Adams County Land Reutilization Corporation
(\$3,972,784)	\$0	(\$3,972,784)	\$0
(1,603,694)	0	(1,603,694)	0
(3,410,451)	0	(3,410,451)	0
2,402,400	0	2,402,400	0
(2,578,805)	0	(2,578,805)	0
(3,543,843)	0	(3,543,843)	0
(277,132)	0	(277,132)	0
(2,847,218)	0	(2,847,218)	0
(292,769)	0	(292,769)	0
(395,660)	0	(395,660)	0
(35,440)	0	(35,440)	0
<hr/>	0	(16,555,396)	0
0	914	914	0
0	(41,908)	(41,908)	0
0	(4,395)	(4,395)	0
<hr/>	0	(45,389)	0
(16,555,396)	(45,389)	(16,600,785)	0
			<hr/> <hr/> (256,309)
2,213,826	0	2,213,826	0
655,765	0	655,765	0
1,609,043	0	1,609,043	0
847,004	0	847,004	0
628,576	0	628,576	0
315,942	0	315,942	0
5,745,664	0	5,745,664	0
63,136	0	63,136	0
1,304,075	0	1,304,075	151,912
12,850	0	12,850	0
1,195,950	0	1,195,950	0
890,217	651	890,868	174,279
79,751	0	79,751	0
273,000	0	273,000	0
(5,000)	5,000	0	0
<hr/>	15,829,799	5,651	15,835,450
			326,191
(725,597)	(39,738)	(765,335)	69,882
27,182,508	65,529	27,248,037	240,968
0	5,000	5,000	0
<hr/>	27,182,508	70,529	27,253,037
			240,968
<hr/>	\$26,456,911	\$30,791	\$26,487,702
			\$310,850

Adams County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
As of December 31, 2024

	General	Children Services Levy
Assets		
Equity in Pooled Cash and Cash Equivalents	\$4,975,871	\$586,548
Cash and Cash Equivalents in Segregated Accounts	38,728	3,250
Restricted Cash and Cash Equivalents	57,819	0
<i>Total Assets</i>	\$5,072,418	\$589,798
 Fund Balances		
Nonspendable	\$57,819	\$0
Restricted	0	589,798
Committed	0	0
Assigned	2,725,497	0
Unassigned	2,289,102	0
<i>Total Fund Balances</i>	\$5,072,418	\$589,798

See accompanying notes to the basic financial statements.

Motor Vehicle Gas Tax	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
\$4,155,012	\$1,066,872	\$15,470,668	\$26,254,971
782	0	101,361	144,121
0	0	0	57,819
\$4,155,794	\$1,066,872	\$15,572,029	\$26,456,911

\$0	\$0	\$0	\$57,819
4,155,794	1,066,872	13,407,514	19,219,978
0	0	2,164,515	2,164,515
0	0	0	2,725,497
0	0	0	2,289,102
\$4,155,794	\$1,066,872	\$15,572,029	\$26,456,911

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2024

	General	(formerly major fund)	American Rescue Plan Act	Children Services Levy
Receipts				
Property Taxes	\$2,213,826		\$0	\$1,609,043
Sales Taxes	5,745,664		0	0
Other Local Taxes	0		0	0
Special Assessments	0		0	0
Charges for Services	1,736,537		0	727,130
Licenses and Permits	1,760		0	0
Fines, Forfeitures, and Settlements	183,829		0	0
Intergovernmental	1,156,152		0	2,958,417
Interest	1,195,950		0	0
Rent	1,000		0	0
Contributions and Donations	12,850		0	0
Other	379,875		0	38,854
<i>Total Receipts</i>	<i>12,627,443</i>		<i>0</i>	<i>5,333,444</i>
Disbursements				
Current:				
General Government:				
Legislative and Executive	4,032,168		0	0
Judicial	2,013,764		0	0
Public Safety	3,346,828		0	0
Public Works	136,776		0	0
Health	32,870		0	0
Human Services	443,138		0	6,308,669
Community and Economic Development	165,575		0	0
Capital Outlay	129,186		0	23,500
Intergovernmental	349,607		0	0
Debt Service:				
Principal	0		0	0
Interest	0		0	0
<i>Total Disbursements</i>	<i>10,649,912</i>		<i>0</i>	<i>6,332,169</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>1,977,531</i>		<i>0</i>	<i>(998,725)</i>
Other Financing Sources (Uses)				
Transfers In	0		0	500,000
Proceeds from Bonds	0		0	0
Insurance Recoveries	0		0	0
Advances In	115,690		0	0
Transfers Out	(1,652,004)		0	0
Advances Out	(393,874)		0	0
<i>Total Other Financing Sources (Uses)</i>	<i>(1,930,188)</i>		<i>0</i>	<i>500,000</i>
<i>Net Change in Fund Balances</i>	<i>47,343</i>		<i>0</i>	<i>(498,725)</i>
<i>Fund Balances at Beginning of Year as Previously Reported</i>	<i>5,025,075</i>		<i>3,686,237</i>	<i>1,088,523</i>
<i>Adjustments to Beginning Balance for Change in Major Funds</i>	<i>0</i>		<i>(3,686,237)</i>	<i>0</i>
<i>Fund Balances at Beginning of Year as Restated</i>	<i>5,025,075</i>		<i>0</i>	<i>1,088,523</i>
<i>Fund Balances at End of Year</i>	<i>\$5,072,418</i>		<i>\$0</i>	<i>\$589,798</i>

See accompanying notes to the basic financial statements.

Motor Vehicle Gas Tax	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$2,447,287	\$6,270,156
0	0	0	5,745,664
0	0	63,136	63,136
0	0	14,897	14,897
31,997	199,353	2,442,065	5,137,082
0	0	6,869	8,629
13,864	0	1,249,070	1,446,763
7,388,678	5,794,083	5,524,216	22,821,546
168,078	0	242	1,364,270
0	19,439	0	20,439
0	0	12,592	25,442
4,062	25,636	441,790	890,217
7,606,679	6,038,511	12,202,164	43,808,241
0	0	1,926,500	5,958,668
0	0	461,402	2,475,166
0	0	2,422,690	5,769,518
5,037,527	0	153,332	5,327,635
0	0	3,992,696	4,025,566
0	6,007,736	1,696,505	14,456,048
0	0	497,254	662,829
1,838,655	11,551	3,407,938	5,410,830
0	0	0	349,607
289,860	0	114,839	404,699
8,052	0	32,971	41,023
7,174,094	6,019,287	14,706,127	44,881,589
432,585	19,224	(2,503,963)	(1,073,348)
0	0	1,150,009	1,650,009
0	0	273,000	273,000
79,751	0	0	79,751
0	0	393,874	509,564
0	0	(3,005)	(1,655,009)
0	0	(115,690)	(509,564)
79,751	0	1,698,188	347,751
512,336	19,224	(805,775)	(725,597)
3,643,458	1,047,648	12,691,567	27,182,508
0	0	3,686,237	0
3,643,458	1,047,648	16,377,804	27,182,508
\$4,155,794	\$1,066,872	\$15,572,029	\$26,456,911

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	\$2,126,770	\$2,228,996	\$2,228,996	\$0
Sales Taxes	4,405,255	4,617,000	5,745,664	1,128,664
Charges for Services	1,231,176	1,290,354	1,513,691	223,337
Licenses and Permits	1,727	1,810	1,760	(50)
Fines and Forfeitures	143,264	150,150	182,033	31,883
Intergovernmental	1,049,408	1,099,849	1,156,152	56,303
Interest	795,611	833,853	1,195,950	362,097
Rent	954	1,000	1,000	0
Contributions and Donations	6,051	6,342	12,850	6,508
Other	41,638	123,327	358,086	234,759
<i>Total Receipts</i>	<i>9,801,854</i>	<i>10,352,681</i>	<i>12,396,182</i>	<i>2,043,501</i>
Disbursements				
Current:				
General Government:				
Legislative and Executive	5,219,992	4,388,570	3,972,874	415,696
Judicial	1,856,300	2,261,384	2,053,152	208,232
Public Safety	3,533,573	3,993,504	3,459,959	533,545
Public Works	136,600	150,166	135,674	14,492
Health	107,060	76,641	70,398	6,243
Human Services	470,309	494,595	472,216	22,379
Community and Economic Development	163,703	181,882	167,073	14,809
Capital Outlay	235,959	407,577	327,386	80,191
Intergovernmental	349,607	349,607	349,607	0
<i>Total Disbursements</i>	<i>12,073,103</i>	<i>12,303,926</i>	<i>11,008,339</i>	<i>1,295,587</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(2,271,249)</i>	<i>(1,951,245)</i>	<i>1,387,843</i>	<i>3,339,088</i>
Other Financing Sources (Uses)				
Transfers In	0	25,000	68,670	43,670
Advances In	0	0	115,690	115,690
Transfers Out	(638,263)	(1,652,698)	(1,652,004)	694
Advances Out	0	(393,874)	(393,874)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(638,263)</i>	<i>(2,021,572)</i>	<i>(1,861,518)</i>	<i>160,054</i>
<i>Net Change in Fund Balances</i>	<i>(2,909,512)</i>	<i>(3,972,817)</i>	<i>(473,675)</i>	<i>3,499,142</i>
<i>Fund Balances at Beginning of Year</i>	<i>3,689,551</i>	<i>3,689,551</i>	<i>3,689,551</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>485,811</i>	<i>485,811</i>	<i>485,811</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$1,265,850</i>	<i>\$202,545</i>	<i>\$3,701,687</i>	<i>\$3,499,142</i>

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Children Services Levy Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	\$1,650,760	\$1,650,760	\$1,619,472	(\$31,288)
Charges for Services	688,713	688,713	727,130	38,417
Intergovernmental	2,978,036	2,978,036	2,958,417	(19,619)
Other	45,000	45,000	15,842	(29,158)
<i>Total Receipts</i>	<i>5,362,509</i>	<i>5,362,509</i>	<i>5,320,861</i>	<i>(41,648)</i>
Disbursements				
Current:				
Human Services	5,399,126	6,363,386	6,286,950	76,436
Capital Outlay	1,000	25,000	23,500	1,500
<i>Total Disbursements</i>	<i>5,400,126</i>	<i>6,388,386</i>	<i>6,310,450</i>	<i>77,936</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(37,617)</i>	<i>(1,025,877)</i>	<i>(989,589)</i>	<i>36,288</i>
Other Financing Sources				
Transfers In	0	100,000	500,000	400,000
<i>Total Other Financing Sources</i>	<i>0</i>	<i>100,000</i>	<i>500,000</i>	<i>400,000</i>
<i>Net Change in Fund Balances</i>	<i>(37,617)</i>	<i>(925,877)</i>	<i>(489,589)</i>	<i>436,288</i>
<i>Fund Balances at Beginning of Year</i>	<i>903,227</i>	<i>903,227</i>	<i>903,227</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>38,434</i>	<i>38,434</i>	<i>38,434</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$904,044</i>	<i>\$15,784</i>	<i>\$452,072</i>	<i>\$436,288</i>

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle Gas Tax Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	\$5,000	\$5,000	\$31,997	\$26,997
Fines and Forfeitures	15,000	15,000	13,776	(1,224)
Intergovernmental	4,970,000	7,048,724	7,388,678	339,954
Interest	0	0	168,078	168,078
Other	10,001	10,001	4,062	(5,939)
<i>Total Receipts</i>	<i>5,000,001</i>	<i>7,078,725</i>	<i>7,606,591</i>	<i>527,866</i>
Disbursements				
Current:				
Public Works	4,883,235	5,486,089	5,132,483	353,606
Capital Outlay	164,935	2,419,286	2,124,157	295,129
Debt Service:				
Principal	295,498	295,262	289,860	5,402
Interest	8,052	8,052	8,052	0
<i>Total Disbursements</i>	<i>5,351,720</i>	<i>8,208,689</i>	<i>7,554,552</i>	<i>654,137</i>
<i>Excess of Receipts Under Disbursements</i>	<i>(351,719)</i>	<i>(1,129,964)</i>	<i>52,039</i>	<i>1,182,003</i>
Other Financing Sources				
Insurance Recoveries	0	0	79,751	79,751
<i>Total Other Financing Sources</i>	<i>0</i>	<i>0</i>	<i>79,751</i>	<i>79,751</i>
<i>Net Change in Fund Balances</i>	<i>(351,719)</i>	<i>(1,129,964)</i>	<i>131,790</i>	<i>1,261,754</i>
<i>Fund Balances at Beginning of Year</i>	<i>3,229,748</i>	<i>3,229,748</i>	<i>3,229,748</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>351,719</i>	<i>351,719</i>	<i>351,719</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$3,229,748</i>	<i>\$2,451,503</i>	<i>\$3,713,257</i>	<i>\$1,261,754</i>

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	\$199,404	\$199,404	\$199,353	(\$51)
Intergovernmental	5,422,948	5,768,504	5,794,083	25,579
Rent	5,000	5,000	19,439	14,439
Other	50,000	50,000	25,636	(24,364)
<i>Total Receipts</i>	<i>5,677,352</i>	<i>6,022,908</i>	<i>6,038,511</i>	<i>15,603</i>
Disbursements				
Current:				
Human Services	5,937,376	6,467,693	6,253,421	214,272
Capital Outlay	20,000	20,000	11,551	8,449
<i>Total Disbursements</i>	<i>5,957,376</i>	<i>6,487,693</i>	<i>6,264,972</i>	<i>222,721</i>
<i>Excess of Receipts Under Disbursements</i>	<i>(280,024)</i>	<i>(464,785)</i>	<i>(226,461)</i>	<i>238,324</i>
Other Financing Sources (Uses)				
Transfers In	0	300	0	(300)
Transfers Out	0	(81,389)	0	81,389
<i>Total Other Financing Sources (Uses)</i>	<i>0</i>	<i>(81,089)</i>	<i>0</i>	<i>81,089</i>
<i>Net Change in Fund Balances</i>	<i>(280,024)</i>	<i>(545,874)</i>	<i>(226,461)</i>	<i>319,413</i>
<i>Fund Balances at Beginning of Year</i>	<i>823,040</i>	<i>823,040</i>	<i>823,040</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>130,851</i>	<i>130,851</i>	<i>130,851</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$673,867</i>	<i>\$408,017</i>	<i>\$727,430</i>	<i>\$319,413</i>

See accompanying notes to the basic financial statements.

Adams County
Statement of Fund Net Position - Cash Basis
Proprietary Fund
As of December 31, 2024

	Other Enterprise Fund
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$30,791</u>
<i>Total Assets</i>	<u>30,791</u>
 Net Position	
Unrestricted	<u>30,791</u>
<i>Total Net Position</i>	<u><u>\$30,791</u></u>

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Fund
For the Year Ended December 31, 2024

	Other Enterprise Fund
Operating Receipts	
Charges for Services	\$32,374
Other	651
<i>Total Operating Receipts</i>	<u>33,025</u>
Operating Disbursements	
Salaries and Wages	37,244
Fringe Benefits	12,213
Contractual Services	43,789
Materials and Supplies	491
Other	3,195
<i>Total Operating Disbursements</i>	<u>96,932</u>
<i>Operating Loss</i>	(63,907)
Nonoperating Receipts	
Capital Grants	19,169
<i>Total Nonoperating Receipts</i>	<u>19,169</u>
<i>Change in Net Position Before Transfers</i>	(44,738)
Transfers In	5,000
<i>Change in Net Position</i>	(39,738)
<i>Net Position Beginning of Year, As Previously Reported</i>	65,529
<i>Restatement for Error Correction</i>	5,000
<i>Net Position Beginning of Year, As Restated</i>	<u>70,529</u>
<i>Net Position End of Year</i>	<u>\$30,791</u>

See accompanying notes to the basic financial statements.

Adams County
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Funds
As of December 31, 2024

	Custodial
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,582,552
Cash and Cash Equivalents in Segregated Accounts	377,550
<i>Total Assets</i>	<hr/> <hr/> 2,960,102
Net Position	
Restricted for Individuals, Organizations, and Other Governments	2,960,102
<i>Total Net Position</i>	<hr/> <hr/> \$2,960,102

See accompanying notes to the basic financial statements.

Adams County
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2024

	Custodial
Additions	
Intergovernmental	\$5,540,596
Amounts Received as Fiscal Agent	3,833,794
Licenses and Permits and Fees for Other Governments	3,700,301
Fines and Forfeitures for Other Governments	866,807
Property Tax Collections for Other Governments	17,413,231
Excise Tax Collections for Other Governments	7,571
Sheriff Sale Collections for Others	764,991
Amounts Received and Held for Others	53,950
<i>Total Additions</i>	<hr/> 32,181,241
Deductions	
Distributions as Fiscal Agent	3,663,540
Distributions of State Funds to Other Governments	5,518,664
Distributions to the State of Ohio	4,466,110
Property Tax Distributions to Other Governments	17,550,232
Excise Tax Distributions to Other Governments	7,571
Sheriff Sale Distributions to Others	671,781
<i>Total Deductions</i>	<hr/> 31,877,898
<i>Change in Net Position</i>	303,343
<i>Net Position at Beginning of Year</i>	<hr/> 2,656,759
<i>Net Position at End of Year</i>	<hr/> \$2,960,102

See accompanying notes to the basic financial statements.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

Adams County, Ohio (the County), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. The County Auditor and County Treasurer are responsible for fiscal control of the resources of the County which are maintained in the funds described below. Services provided by the County include general government, public safety, public works, health, human services, and community and economic development.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For the County, this includes the Board of Developmental Disabilities and all departments and activities that are directly operated by the elected County officials.

Component Units

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, accessible to the County, and significant in amount to the County.

Discretely Presented Component Unit

The component unit column on the financial statements identifies the financial data of the County's component unit, the Adams County Land Reutilization Corporation. It is reported separately to emphasize that it is legally separate from the County.

Adams County Land Reutilization Corporation – The Adams County Land Reutilization Corporation (the Land Bank) was incorporated in February 2017 as a legally separate, not for profit corporation served by a seven-member self-appointed board. The Land Bank acquires abandoned, un-utilized, or blighted properties, through tax foreclosure of delinquent lands, property donations, and limited property purchases with the goal of redeveloping those properties to revitalize the County. The Land Bank operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Land Bank, West Union, Ohio. Information about the Land Bank is presented with the County's disclosures.

As the custodian of public funds, the County Treasurer invests all public monies on deposit in the County Treasury. In the case of separate agencies, boards, and commissions listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activity of the following districts and agencies is presented as custodial funds within the County's financial statements: the Adams County Soil and Water Conservation District, the Adams County Health District, and the Adams County Family and Children First Council.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Jointly Governed Organization, Public Entity Shared Risk Pools, and Related Organizations

The County participates in one jointly governed organization and two public entity shared risk pools and is associated with one related organization. These organizations are presented in notes 10, 11, and 12 to the basic financial statements. These organizations are the Southern Ohio Council of Governments, County Risk Sharing Authority, Inc., the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan, and the Adams County Airport Authority.

The financial statements exclude the following entities which perform activities within the County's boundaries for the benefit of its residents because the County is not financially accountable for these entities nor are they fiscally dependent on the County. These organizations are the Adams County Educational Service Center, the Adams County Agricultural Society, and the Adams County Historical Society.

Management believes the financial statements included in this report represent all of the funds for which the County is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the basis of accounting section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the County.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the County are presented in three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. Under the cash basis of reporting, there is no difference between governmental fund assets and fund balance. The following are the County's major governmental funds:

General Fund – This fund is the general operating fund of the County and is used to account for all financial resources not accounted for or reported in another fund. The general fund is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Children Services Levy Special Revenue Fund – This fund accounts for property taxes and federal funds restricted for programs designed to help abused, neglected, dependent, and troubled children and their families.

Motor Vehicle Gas Tax Special Revenue Fund – This fund is used for maintenance and repair of roads and bridges. The primary sources of revenues are monies received from state gasoline tax and motor vehicle registration fees designated.

Job and Family Services Special Revenue Fund – This fund is used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services. The primary sources of revenue are various federal and state grants as well as contributions from the general fund.

The other governmental funds of the County account for grants and other resources, debt service, and capital projects, whose use is restricted to a particular purpose.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Proprietary Funds

The proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. Enterprise funds are the County's only proprietary fund type.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. For the County, the enterprise funds are the sewer fund and the Rome Village sewer fund which are used to account for the activities related to wastewater treatment in the County, and the Adams County Training & Business Center, which is used to account for the operations of the center.

Fiduciary Funds

Fiduciary fund reporting focuses on cash basis assets and changes in net cash position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County has no trust funds. The County's only fiduciary funds are custodial funds that account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

For comparability purposes, the Adams County Land Reutilization Corporation financial information has been presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate.

The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

Encumbrances

The County is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts, and other commitments for the disbursement of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled and invested. Individual fund balance integrity is maintained through the County's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

Adams County has several County departments that maintain segregated bank accounts for funds held in a custodial capacity. Elected or appointed departmental officials are responsible for the financial records. The County Auditor does not have any operating control over these monies. The balances of these accounts are reported in the accompanying financial statements as "cash and cash equivalents in segregated accounts".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2024, the County funds are maintained in several checking accounts as well as invested in certificates of deposit with terms of twelve to twenty-four months. Investments are reported at cost.

All interest earnings are allocated to the general fund except those specifically related to those funds deemed appropriate according to state statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund, motor vehicle gas tax fund, and all other governmental funds during 2024 were \$1,195,950, \$168,078, and \$242, respectively.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets include unclaimed monies that are required to be held for five years before they may be utilized by the County.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

For 2024, GASB Statement No. 101, “Compensated Absences”, was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements.

County employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the County’s cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Pensions

For purposes of measuring the net pension liability, information about the fiduciary net position of the pension plan and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Long-Term Obligations

The County’s cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease or Subscription-Based Technology Arrangements (SBITA) transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and SBITA payments are reported when paid.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Leases and SBITAS

The County is the lessor/lessee (as defined by GASB 87) in various leases related to buildings, vehicles and other equipment under noncancelable leases. Lease receivables/payables are not reflected under the County's cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The County has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription assets/liabilities are not reflected under the County's cash basis of accounting. Subscription disbursements are recognized when they are paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlement have been reached with other distributors. For 2024, distributions of \$283,663 are reflected as fines, forfeitures and settlements revenue nonmajor National Opioid Settlement special revenue fund in the accompanying financial statements.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for federal and state grants, debt service, and capital outlay. None of the County's restricted net position is restricted by enabling legislation. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners or a

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

County official delegated that authority by resolution or by State statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis Fund Balances

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balances – budget and actual – budget basis presented for the general fund, children services levy fund, motor vehicle gas tax fund, and job and family services fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as a restriction, commitment, or assignment of fund balance (cash basis).
2. Segregated cash that is held by custodial funds on behalf of County funds on a budget basis are allocated and reported on the cash basis in the appropriate County fund.
3. Custodial fund distributions to appropriate County funds.
4. As part of the Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” certain funds that were previously reported as custodial or special revenue funds are considered part of the general fund on a cash basis. These include the unclaimed monies fund, county Medicaid sales tax transition fund, certificate of title fund, and public defender fund. These funds were excluded from the budgetary presentation for the general fund.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Adjustments necessary to convert the cash balance at the end of the year on the budget basis to the cash basis are as follows:

	General	Children Services Levy	Motor Vehicle Gas Tax	Job and Family Services
Cash Basis	\$47,343	(\$498,725)	\$512,336	\$19,224
Revenues	10,977	(12,583)	(88)	0
Expenditures	48,766	40,780	11,140	29,530
Excluded Funds for Budget Purposes	3,246	0	0	0
Encumbrances	(584,007)	(19,061)	(391,598)	(275,215)
Budget Basis	<u>(\$473,675)</u>	<u>(\$489,589)</u>	<u>\$131,790</u>	<u>(\$226,461)</u>

Note 4 – Deposits and Investments

Primary Government

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

- b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$5,845,582 of the County's bank balance of \$29,944,051 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

- Eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Component Unit – Adams County Land Reutilization Corporation (Land Bank)

At December 31, 2024, the carrying amount of the Adams County Land Reutilization Corporation's deposits was \$310,850. The bank balance of \$310,850 was covered by federal deposit insurance up to \$250,000.

Note 5 – Taxes

Property Tax

Property taxes include amounts levied against all real and public utility property located in the County. Property tax receipts received during 2024 for real and public utility property taxes represent collection of 2023 taxes.

2024 real property taxes are levied after October 1, 2024 on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are intended to finance 2025.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2024 was \$12.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

Real Property	\$501,613,200
Public Utility Personal Property	<u>119,000,540</u>
Total	<u><u>\$620,613,740</u></u>

The Adams County Treasurer collects property taxes on behalf of all taxing districts within the County, including the County. The Adams County Auditor periodically remits to the County its portion of the taxes collected.

Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles, not subject to the sales tax. In addition, the voters have authorized an additional 0.5 percent tax. The allocation of the sales tax is 1 percent to the County's general fund and 0.5 percent was for Adams County Hospital. Effective April 1, 2020, the 0.5 percent that was going to Adams County Hospital went to the County's general fund. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County to the Ohio Office of Budget and Management. The Tax Commissioner's certification must be made within forty-five days after the end of each month.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the County contracted with County Risk Sharing Authority, Inc. (CORS) for insurance coverage. The CORS program has a \$2,500 deductible. Coverage provided by CORS is as follows:

	<u>Limits of Coverage</u>
General Liability	\$1,000,000
Employee Benefit Liability	1,000,000
Law Enforcement Professional Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Automobile Liability	1,000,000
Uninsured Motorist Liability	250,000
Ohio Stop Gap (Additional Workers' Compensation Coverage)	1,000,000
Building and Contents	Replacement Cost
Flood and Earthquake	125,000,000
Crime Insurance:	
Faithful Performance	1,000,000
Money and Securities	1,000,000
Depositor's Forgery	1,000,000
Money Orders/Counterfeit Currency	1,000,000

Note 7 – Defined Benefit Pension Plans

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Net Pension/OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The net pension/net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See note 8 for the OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013,

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local		Public Safety	Law Enforcement
	Traditional	Combined		
2024 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2024 Actual Contribution Rates				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**This rate is determined by OPERS' Board and has no maximum rate established by ORC.

***This rate is also determined by OPERS' Board but is limited by ORC to not more than 2 percent greater than the public safety rate.

****These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated at 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2024, the County's contractually required contribution to OPERS was \$2,070,409.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Net Pension Liability (Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the measurement date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability (Asset):			
Current Measurement Date	0.08418200%	0.01840500%	
Prior Measurement Date	<u>0.08476800%</u>	<u>0.03639400%</u>	
Change in Proportionate Share	<u>-0.00058600%</u>	<u>-0.01798900%</u>	
Proportionate Share of the:			
Net Pension Liability	\$22,039,192	\$0	\$22,039,192
Net Pension Asset	0	(56,574)	(56,574)

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

(males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00%</u>	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$34,695,611	\$22,039,192	\$11,512,730
OPERS Combined Plan	(34,233)	(56,574)	(74,172)

Note 8 – Postemployment Benefits

Net OPEB Liability (Asset)

See note 7 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i> Any Age with 10 years of service credit January 1, 2015 through December 31, 2021 Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age and Service Requirements <i>December 1, 2014 or Prior</i> Any Age with 10 years of service credit January 1, 2015 through December 31, 2021 Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age and Service Requirements <i>December 1, 2014 or Prior</i> Any Age with 10 years of service credit January 1, 2015 through December 31, 2021 Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$0 for 2024.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share:

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

	<u>OPERS</u>
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Date	0.0804540%
Prior Measurement Date	<u>0.0815930%</u>
Change in Proportionate Share	<u>-0.0011390%</u>
Proportionate Share of the:	
Net OPEB Asset	(\$726,117)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00%</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index") The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
County's proportionate share of the net OPEB liability (asset)	\$399,052	(\$726,117)	(\$1,658,157)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Assumption	1% Increase
County's proportionate share of the net OPEB liability (asset)	(\$756,268)	(\$726,117)	(\$691,904)

Note 9 – Debt Obligations

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding the County's general long-term obligations during 2024 is as follows:

	Outstanding 12/31/23	Additions	Deletions	Outstanding 12/31/24	Due in One Year
<i>Governmental Activities</i>					
General Obligation Bonds, 1.65%-3.5%	\$585,000	\$0	(\$55,000)	\$530,000	\$60,000
Equipment Acquisition Bonds, 3.625%	0	273,000	(50,800)	222,200	52,600
<i>Direct Borrowings:</i>					
Special Assessment Bonds, 3.25%	171,555	0	(9,039)	162,516	9,335
Truck Loan, National Bank, 3.75%	167,052	0	(167,052)	0	0
West Fork Rd. Improvement Bonds, 3.50%	14,000	0	(14,000)	0	0
Land Acquisition Bonds 3.0%	77,670	0	(8,630)	69,040	8,630
<i>OPWC Loans:</i>					
OPWC Loan #CO02H, 0%	13,000	0	(7,800)	5,200	2,600
OPWC Loan #CO09I, 0%	35,344	0	(17,675)	17,669	5,892
OPWC Loan #CO05M, 0%	216,467	0	(19,100)	197,367	6,367
OPWC Loan #CO03O, 0%	114,582	0	(8,814)	105,768	2,938
OPWC Loan #CO02P, 0%	273,000	0	(19,500)	253,500	6,500
OPWC Loan #CO14Q, 0%	91,208	0	(17,102)	74,106	5,701
OPWC Loan #CO07S, 0%	115,456	0	(10,187)	105,269	3,396
Total OPWC Loans	859,057	0	(100,178)	758,879	33,394
<i>Total Long-Term Obligations</i>	\$1,874,334	\$273,000	(\$404,699)	\$1,742,635	\$163,959

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

General Obligation Debt

During 2012, the County issued general obligation bonds in the amount of \$1,135,000. The general obligation Bonds payments are being made annually and will mature in 2032. The bonds are being repaid from debt service funds.

During 2024, the County issued equipment acquisition bonds in the amount of \$273,000. The equipment acquisition bonds payments are being made annually and will mature in 2028. The bonds are being repaid from debt service funds.

Direct Borrowings

Special Assessment Debt

Special assessment bonds in the amount of \$320,163 were issued for the purpose of financing part of the cost of constructing a sanitary sewer line extension in the Peebles area. It is anticipated that the debt will be paid by the benefited property owners and not from the general funds of the County. However, County general funds are pledged for repayment. The bonds are payable over a period of thirty-nine years at 3.25% per annum, maturing June 1, 2039. The bonds are secured by the special assessment collections but are backed by the full faith and credit of the County in the event that property owners fail to make payments. The bonds are being repaid from debt service funds.

County Engineer Truck Loan

During 2020, the County entered into a loan agreement with National Bank for the purchase of four trucks for the County Engineer's office. The loan was in the amount of \$632,892 for a five-year period. The loan was repaid through the motor vehicle gas tax fund in full during 2024.

Bonds

During 2014, the County Commissioners issued \$140,000 in West Fork Road Improvement bonds for the purpose of improving West Fork Road in the County. The bonds bear interest at 3.50% and matured in 2024. The bonds were repaid in full during 2024 from the motor vehicle gas tax fund.

During 2018, the County Commissioners issued \$129,500 of Land Acquisition Bonds to purchase property. These bonds have a 3.0% interest rate and will mature in 2032. These bonds are being repaid from the motor vehicle gas tax fund.

All general obligation bonds are supported by the full faith and credit of Adams County and are payable from unvoted property tax revenues to the extent that other resources are not available to meet annual principal and interest payments.

Ohio Public Works Commission (OPWC) Debt

During 2005, the County entered into two grant/loan agreements with OPWC. The first agreement, pertaining to the Pence Road and Church Road Bridge Replacements, included a grant in the amount of \$364,000 and a loan (Loan #CO02H) in the amount of \$104,000 at 0% interest, with semi-annual payments of \$2,600, maturing July 1, 2025. The second agreement, pertaining to the Buck Run Road Bridge Replacement, included a grant in the amount of \$100,000 and a loan (Loan #CO09I) in the amount of \$235,669 for 2005 represented in the amortization schedule at 0% interest, with semiannual payments of \$5,892, maturing January 1, 2026. The OPWC loans are being repaid from the motor vehicle gas tax fund.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

During 2009, the County entered into a grant/loan agreement with OPWC. The agreement, pertaining to Sproull Bridge Replacement, includes a grant of \$458,200 and a loan (Loan #CO05M) in the amount of \$382,000 at 0% interest. This loan is being paid in semi-annual installments of \$6,367, and matures on January 1, 2039. This loan is being repaid from the motor vehicle gas tax fund.

During 2011, the County entered into a grant/loan agreement (Loan CO03O) with OPWC Issue I Round 25 County, Townships and Village Road Improvements for the purpose of obtaining funds in the amount of \$176,280 for 30 years at 0% with semi-annual payments of \$2,938. The loan is being repaid from the motor vehicle gas tax fund.

During 2012, the County entered into a grant/loan agreement (Grant CO01P) and (Loan CO02P) with OPWC. This agreement pertains to Beasley Fork Road Bridge Replacement, which included a grant in the amount of \$350,000 and a loan in the amount of \$390,000 at 0% interest, with semi-annual payments of \$6,500. The loan is being repaid from the motor vehicle gas tax fund.

During 2013, the County entered into a grant/loan agreement (Loan CO14Q) with OPWC, County, Townships, and Village Road Improvements, for the purpose of obtaining funds in the amount of \$193,820 for 17 years at 0% with semiannual payments of \$5,701. The loan is being repaid from the motor vehicle gas tax fund.

During 2016, the County entered into a grant/loan agreement (Loan CO07S) with OPWC County, Townships and Village Road and Bridges Improvements for the purpose of obtaining funds in the amount of \$163,000 for 30 years at 0% with semi-annual payments of \$3,396. The loan is being repaid from the motor vehicle gas tax fund.

In the event of a default, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that such payment be taken from the County's share of the County undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

At December 31, 2024, the County's overall legal debt margin was \$13,194,104 with an unvoted debt margin of \$6,206,137.

Amortization of the long-term debt obligations is as follows:

Year Ending December 31,	Land Acquisition Bonds			Equipment Acquisition Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$8,630	\$2,071	\$10,701	\$52,600	\$7,190	\$59,790
2026	8,630	1,812	10,442	54,500	5,251	59,751
2027	8,630	1,553	10,183	56,500	3,241	59,741
2028	8,630	1,295	9,925	58,600	1,157	59,757
2029	8,630	1,036	9,666	0	0	0
2030-2034	25,890	1,553	27,443	0	0	0
Total	<u>\$69,040</u>	<u>\$9,320</u>	<u>\$78,360</u>	<u>\$222,200</u>	<u>\$16,839</u>	<u>\$239,039</u>

Year Ending December 31,	Special Assessment Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$9,335	\$5,207	\$14,542	\$33,394	\$0	\$33,394
2026	9,640	4,901	14,541	64,180	0	64,180
2027	9,956	4,585	14,541	49,802	0	49,802
2028	10,283	4,259	14,542	49,802	0	49,802
2029	10,619	3,922	14,541	49,802	0	49,802
2030-2034	58,550	14,156	72,706	214,806	0	214,806
2035-2039	54,133	4,031	58,164	192,005	0	192,005
2040-2044	0	0	0	105,088	0	105,088
Total	<u>\$162,516</u>	<u>\$41,061</u>	<u>\$203,577</u>	<u>\$758,879</u>	<u>\$0</u>	<u>\$758,879</u>

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2025	\$60,000	\$17,463	\$77,463
2026	60,000	15,813	75,813
2027	65,000	13,863	78,863
2028	65,000	11,750	76,750
2029	65,000	9,638	74,638
2030-2033	215,000	15,223	230,223
Total	\$530,000	\$83,750	\$613,750

Note 10 – Jointly Governed Organization

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the Council), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a fifteen member board with each participating county represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. Financial statements can be obtained by writing to the Southern Ohio Council of Governments, 167 W. Main Street, Chillicothe, Ohio, 45601.

Note 11 – Public Entity Shared Risk Pools

County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (COSRA) is a jointly governed organization among thirty-nine counties in Ohio. COSRA was formed as an Ohio not-for-profit corporation for the purpose of establishing the COSRA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by COSRA.

Each member county has one vote, on all matters requiring a vote, to be cast by a designated representative. The affairs of COSRA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board of Trustees.

No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of COSRA is limited to its voting authority and any representation it may have on the Board of Trustees.

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAO) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year and each elected member shall be a County Commissioner.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 12 – Related Organization

Adams County Airport Authority

The Adams County Airport Authority (the Authority) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Adams County Commissioners appointed five Board members to direct the Authority in January of 2019. The Board of Trustees has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Board members are responsible for the safe and efficient operation and maintenance of the Authority. The Authority serves as custodian of its own funds and maintains all records and accounts independent of the County.

Note 13 – Health Care Benefits

The County provides life insurance and accidental death and dismemberment insurance to most employees with American United Life. The County has elected to provide employee medical/surgical benefits through Anthem and dental benefits through Delta Dental of Ohio. The employees share the cost of the monthly premium with the Board of Commissioners. The premium varies with employee depending on the terms of the union contract or personnel policy. Vision insurance is provided to employees by the County through Vision Plus of America.

Note 14 – Contingent Liabilities

Primary Government

Litigation

The County is party to legal proceedings. The County is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

Grants

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

Component Unit – Adams County Land Reutilization Corporation

As of December 31, 2024, there was no pending litigation against the Adams County Land Reutilization Corporation.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 15 – Interfund Transactions

Transfers

During 2024, the following transfers were made:

	Transfers In	Transfers Out
<i>Major Funds</i>		
General Fund	\$0	\$1,652,004
Children Services Levy	500,000	0
All Other Governmental Funds	1,150,009	3,005
Other Enterprise Funds	5,000	0
Total All Funds	\$1,655,009	\$1,655,009

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget and to provide resources for current operations. All transfers were made in accordance with the Ohio Revised Code.

Advances

During 2024, the following advances were made:

	Advances In	Advances Out
<i>Major Fund</i>		
General Fund	\$115,690	\$393,874
All Other Governmental Funds	393,874	115,690
Total All Funds	\$509,564	\$509,564

During the year, the County's general fund made advances to other funds in anticipation of intergovernmental grant revenue. Advances to the general fund were for repayments of advances.

Note 16 – Compliance

Ohio Administrative Code, Section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, deferred inflows and outflows of resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

Note 17 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Fund Balances	General	Children Services Levy	Motor Vehicle Gas Tax	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>						
Unclaimed Monies	\$57,819	\$0	\$0	\$0	\$0	\$57,819
<i>Restricted for:</i>						
Ambulance & EMS	0	0	0	0	789,478	789,478
ACBDD	0	0	0	0	1,921,178	1,921,178
911 Services	0	0	0	0	371,799	371,799
Delinquent Tax Collection	0	0	0	0	406,235	406,235
Probation Services	0	0	0	0	186,908	186,908
Children's Home	0	0	0	0	336,234	336,234
DP&L Training	0	0	0	0	237,233	237,233
American Rescue Plan	0	0	0	0	2,605,467	2,605,467
Other Purposes	0	0	0	0	1,989,068	1,989,068
Motor Vehicle Gas Tax	0	0	4,155,794	0	0	4,155,794
Job & Family Services	0	0	0	1,066,872	0	1,066,872
Children Services Levy	0	589,798	0	0	0	589,798
Child Support Enforcement	0	0	0	0	1,906,891	1,906,891
Real Estate Assessment	0	0	0	0	1,293,258	1,293,258
Capital Improvements	0	0	0	0	1,355,839	1,355,839
Debt Service	0	0	0	0	7,926	7,926
<i>Total Restricted</i>	<i>0</i>	<i>589,798</i>	<i>4,155,794</i>	<i>1,066,872</i>	<i>13,407,514</i>	<i>19,219,978</i>
<i>Committed to:</i>						
Debt Service	0	0	0	0	68,301	68,301
Capital Projects	0	0	0	0	2,096,214	2,096,214
<i>Total Committed</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,164,515</i>	<i>2,164,515</i>
<i>Assigned to:</i>						
Future Purchases	584,049	0	0	0	0	584,049
Future Budget Deficit	2,141,448	0	0	0	0	2,141,448
<i>Total Assigned</i>	<i>2,725,497</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,725,497</i>
<i>Unassigned</i>	<i>2,289,102</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,289,102</i>
Total Fund Balances	\$5,072,418	\$589,798	\$4,155,794	\$1,066,872	\$15,572,029	\$26,456,911

Note 18 – New Accounting Principles and Restatement of Net Position

For 2024, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, “Accounting Changes and Error Corrections”.

GASB Statement No. 100 Statement No. 100, “Accounting Changes and Error Corrections”, prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. Statement 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information.

For 2024, the American Rescue Plan special revenue fund presentation was changed from major to nonmajor.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

During the year, the County discovered that it had underreported enterprise funds in prior years. The County made a correction to beginning balance that had the following effect:

	Business-Type Activities/Other Enterprise Fund
Net Position, As Previously Reported, December 31, 2023	\$65,529
Correction to Beginning Balance	5,000
Net Position, As Restated, January 1, 2024	<u><u>\$70,529</u></u>

Note 19 – Significant Commitments

Encumbrances

At December 31, 2024, the County had a significant encumbrance commitments:

Fund	Amount
<i>Major Funds:</i>	
General Fund	\$584,049
Children Services Levy Fund	19,061
Motor Vehicle Gas Tax Fund	391,598
Job and Family Services Fund	275,215
Other Governmental Funds	8,827,296
Other Enterprise Funds	<u>6,287,639</u>
Total Encumbrances	<u><u>\$16,384,858</u></u>

Adams County
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2024

Federal Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Provided to Subrecipients	Disbursements
Program Title	Additional Award Identification			
United States Department of Agriculture				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Supplemental Nutrition Assistance Program (SNAP/Food Assistance) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2425-11-6100	10.561	\$0	\$338,392
Total SNAP Cluster			0	338,392
Total United States Department of Agriculture			0	338,392
United States Department of Housing and Urban Development				
<i>Passed Through Ohio Department of Development:</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-21-1AA-1	14.228	0	24,519
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-23-1AA-1	14.228	0	147,726
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			0	172,245
Total United States Department of Housing and Urban Development			0	172,245
United States Department of Justice				
<i>Passed through the State of Ohio Office of Criminal Justice Services:</i>				
Edward Byrne Memorial Justice Assistance Grant Program:				
Radio Communications (Portables and Mobiles)	2023-JG-A03-6240E	16.738	0	138,874
Total Edward Byrne Memorial Justice Assistance Grant Program			0	138,874
Total United States Department of Justice			0	138,874
United States Department of Transportation				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction:				
ADA-CR 13B-3.56 Bridge Replace	PID #113801	20.205	0	1,638,750
ADA-CR 101-1.39	PID #112285	20.205	0	439,974
Total Highway Planning and Construction			0	2,078,724
Total United States Department of Transportation			0	2,078,724
United States Department of the Treasury				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	G-2425-11-6100	21.027	0	68,199
<i>Passed Through Ohio Office of Budget and Management:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds:	N/A	21.027	0	1,180,770
Total Coronavirus State and Local Fiscal Recovery Funds			0	1,248,969
Total United States Department of the Treasury			0	1,248,969
Appalachian Regional Commission				
<i>Passed Through Ohio Department of Development:</i>				
Appalachian Area Development	ARC20C20021	23.002	0	19,169
Total Appalachian Regional Commission			0	19,169
United States Department of Education				
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Special Education-Grants for Infants and Families:				
Special Education-Grants for Infants and Families	H181A220024	84.181	0	23,046
Special Education-Grants for Infants and Families	H181A230024	84.181	0	28,365
Total Special Education-Grants for Infants and Families			0	51,411
Total United States Department of Education			0	51,411
United States Department of Health and Human Services				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Title IV-E Prevention Program	G-2425-11-6101	93.472	0	80
Temporary Assistance for Needy Families (TANF)	G-2425-11-6100	93.558	473,270	1,338,817
Child Support Services	G-2425-11-6100	93.563	0	904,159

(continued)

Adams County
Schedule of Federal Awards Expenditures (continued)
For the Year Ended December 31, 2024

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Provided to Subrecipients	Disbursements
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2425-11-6101	93.674	\$0	\$7,292
Foster Care_Title IV-E	G-2425-11-6101	93.658	0	1,260,822
Adoption Assistance	G-2425-11-6101	93.659	0	243,431
Child Care Development Fund Cluster: Child Care and Development Block Grant	G-2425-11-6100	93.575	0	39,222
Total Child Care Development Fund Cluster			0	39,222
COVID-19 Elder Abuse Prevention Interventions Program	G-2425-11-6100	93.747	0	6,228
State Children's Insurance Program: Children's Health Insurance Program	G-2425-11-6100	93.767	0	3,575
MaryLee Allen Promoting Safe and Stable Families Program	G-2425-11-6101	93.556	0	25,561
Stephanie Tubbs Jones Child Welfare Services Program	G-2425-11-6101	93.645	0	24,544
Social Services Block Grant: Social Services Block Grant	G-2425-11-6100	93.667	0	529,982
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Social Services Block Grant	2401OHSOSR	93.667	0	8,350
Total Social Services Block Grant			0	538,332
Medicaid Cluster:				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Grants to States for Medicaid	G-2425-11-6100	93.778	0	1,349,255
Total Medicaid Cluster			0	1,349,255
Total United States Department of Health and Human Services			473,270	5,741,318
United States Election Assistance Commission (EAC)				
<i>Passed Through Ohio Secretary of State:</i>				
AVA Election Security Grants	N/A	90.404	0	7,257
Total United States Election Assistance Commission (EAC)			0	7,257
United States Department of Homeland Security				
<i>Passed Through Ohio Emergency Management Agency:</i>				
Disaster Grants-Public Assistance (Presidentially Declared Disasters):				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	FEMA-4424-PA-OH-001-05866-00	97.036	0	94,962
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	FEMA-4360-DR-001-05866-00	97.036	0	277,348
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)			0	372,310
Total United States Department of Homeland Security			0	372,310
Total Federal Awards Expenditures			\$473,270	\$10,168,669

N - direct from federal government.

N/A - pass-through entity number not available.

See the accompanying notes to the schedule of federal awards expenditures.

Adams County
Notes to the Schedule of Federal Awards Expenditures
2 CFR 200.510(b)(6)
For the Year Ended December 31, 2024

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) includes the federal award activity of Adams County (the County) under programs of the federal government for the year ended December 31, 2024. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Note 3 – Indirect Cost Rate

The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – Subrecipients

The County passes certain federal awards received from Ohio Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As note 2 describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

Note 5 – Matching Requirements

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with applicable matching requirements. The expenditure of non-federal matching funds is not included in the schedule.

Note 6 – Community Development Block Grant (CDBG) Revolving Loan Programs Without Continuing Compliance Requirements

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Development Services Agency. During 2024, administrative costs were incurred, while no loans were made. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans. These loans are collateralized by mortgages on the property.



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Adams County
110 West Main Street
West Union, Ohio 45693

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Adams County, Ohio (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 2, 2025, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles and beginning balances for business type activities was restated.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs, as item 2024-002 that we consider to be a material weakness.

Adams County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Page 2

Report on Compliance and Other Matters

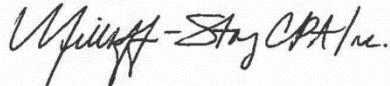
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2024-001.

County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelerburg, Ohio

September 2, 2025



**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Commissioners
Adams County
110 West Main Street
West Union, Ohio 45693

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Adams County's (the County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program for the year ended December 31, 2024.

Qualified Opinion on Assistance Listing No. 93.658 Foster Care Title IV-E Program

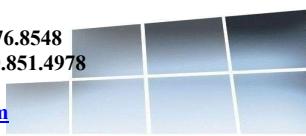
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Assistance Listing No. 93.658 Foster Care Title IV-E Program for the year ended December 31, 2024.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government*



Adams County

Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Page 2

Auditing Standards issued by the Comptroller General of the United States (Government Auditing Adams County Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program as described in finding numbers 2024-003 for Suspension and Debarment and 2024-004 for Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on Assistance Listing No. 93.658 Foster Care Title IV-E Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 93.658 Foster Care Title IV-E Program as described in finding numbers 2024-005 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Special Tests and Provisions and 2024-006 for Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or

the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would

influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with

Adams County

Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

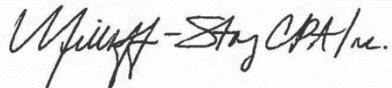
Page 3

governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003, 2024-004, 2024-005 and 2024-006 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 2, 2025

Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified (Cash Basis)
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	Yes
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major federal programs:	Qualified – AL # 21.027 Coronavirus State and Local Fiscal Recovery Funds & AL # 93.658 Foster Care Title IV-E Unmodified – AL # 20.205 Highway Program
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program(s):	COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027), Foster Care Title IV-E (AL #93.658), Highway Planning and Construction (AL #20.205)
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2024-001

Noncompliance – Annual Financial Reports

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

Ohio Administrative Code 117-2-03 (B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). This report is required to be filed with the Auditor of State’s office within 150 days of fiscal year-end. The County prepares its financial statements in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally

Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Finding 2024-001 (Continued)

Noncompliance – Annual Financial Reports (Continued)

accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, deferred inflows and outflows of resources, net position and fund equities, and disclosures that, while presumably material, cannot be reasonably determined at this time. The County can be fined and various other remedies may be taken against the County. As such, we recommend the County take the necessary steps to ensure that the financial report is prepared in accordance with generally accepted accounting principles.

Client Response:

See corrective action plan.

Finding 2024-002

Material Weakness - Financial Statement and Federal Schedule Reporting

A monitoring system by the County should be in place to prevent or detect misstatements for the fair presentation of the County's financial statements. Various errors and misclassifications were identified in the financial statements. Such errors deemed immaterial to adjust on the financial statements included intergovernmental revenue improperly classified as other revenues in the general fund; overstated intergovernmental revenue and distributions of state funds to other governments on the custodial statements of changes in fiduciary net position; misstatement of fines and forfeitures receipts and public safety disbursements in other governmental funds were noted that should have been classified as sheriff sales collections for others and sheriff sale distribution to others on the custodial statement of changes in fiduciary net position. Material adjustments were required to correct the beginning balance for enterprise funds and to decrease related miscellaneous revenue; misclassifications of intergovernmental revenue recorded as miscellaneous revenue was identified in business type activities, intergovernmental revenue and public works disbursements were understated in the motor vehicle gas tax fund as a result of an ODOT project not being recorded; intergovernmental revenue and human services disbursements were understated in the job and family services fund; material changes were noted to the original budget on the budget and actual statement for the Children Services Levy fund. Additionally, errors were identified in the County's schedule of expenditures of federal awards. The County should implement additional monitoring procedures to ensure that the financial statements and schedule of expenditures of federal awards are fairly presented.

Client Response:

See corrective action plan.

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Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Section III – Federal Award Findings and Questioned Costs

ALN Title and Number	COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027		
Federal Award Number and Year	2024		
Federal Agency	United States Department of the Treasury		
Pass-Through Entity	Ohio Office of Budget Management		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	N/A

Finding 2024-003

Material Weakness/Noncompliance – Suspension and Debarment

31 CFR 19 gives regulatory effect to the Department of Treasury for 2 CFR Section 180.305 which states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principles are suspended or debarred, unless the Federal agency responsible for the transaction grants an exception under 2 CFR Section 180.135.

“Covered transactions” include nonprocurement or procurement transactions at the primary tier, between a Federal agency and a person; or at the lower tier, between a participant in a covered transaction and another person. Procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) are covered transactions if the contracts are expected to equal or exceed \$25,000 or meet certain other specified criteria outlined in 2 CFR § 180.220s. All nonprocurement transactions (i.e. subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless listed in the exemptions in 2 CFR § 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by:

- (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available (Sam.gov),
- (2) collecting a certification from the entity, or
- (3) adding a clause or condition to the covered transaction with that entity (2 CFR 180.300).

The County did not have the proper internal controls in place to verify that all entities, with whom the County had entered into covered transactions, had not been suspended or debarred. Due to the deficient internal control structure, the required verification was not completed for any of the vendors sampled with covered transactions in the Coronavirus State and Local Fiscal Recovery Funds during Fiscal Year 2024. Those transactions had a payment to a vendor of equal or greater than \$25,000 and there was no evidence the County checked the SAM exclusions, collected a certification from the entity, or added a clause or condition to the covered transaction with the vendor.

Failing to have the appropriate internal controls in place may result in suspended or debarred vendors receiving federal funds.

Prior to contracting with vendors that will be paid with federal funds, the County should verify the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

Client Response:

See corrective action plan

Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Section III – Federal Award Findings and Questioned Costs

ALN Title and Number	COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027		
Federal Award Number and Year	2024		
Federal Agency	United States Department of the Treasury		
Pass-Through Entity	Ohio Office of Budget Management, Ohio Department of Job and Family Services		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	N/A

Finding 2024-004

Material Weakness/Noncompliance – Allowable Costs/Cost Principles

2 CFR 200 outlines the following policies required for a County spending Coronavirus State and Local Fiscal Recovery Funds:

- 2 CFR 200.302(b)(7) for determining the allowability of costs in accordance with Subpart E-Cost Principles;
- 2 CFR 200.430 for allowability of compensation costs; 2 CFR 200.464(a)(2) for reimbursement of relocation costs;

During testing we noted that the County Commissioner's department did not have sufficient written policies addressing the above requirements. Failure to adopt and implement policies could lead to noncompliance with federal requirements. We recommend the County approve and implement the above policies to ensure compliance with federal requirements.

Client Response:

See corrective action plan.

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Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Section III – Federal Award Findings and Questioned Costs

ALN Title and Number	Foster Care Title IV-E, AL #93.658		
Federal Award Number and Year	2024		
Federal Agency	United States Department of Health and Human Services		
Pass-Through Entity	Ohio Department of Job and Family Services		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	N/A

Finding 2024-005

Material Weakness/Noncompliance – Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Special Tests and Provisions – Payment Rate Setting and Application

2 CFR Part 200, Subpart E and appendices III-VII establish principles and standards for determining allowable direct and indirect costs for Federal awards.

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under the principles in 2 CFR Part 200, Subpart E.
- Conform to any limitations or exclusions set forth in 2 CFR Part 200, Subpart E or in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Be determined in accordance with generally accepted accounting principles (GAAP), except, for State and local governments and Indian tribes only, as otherwise provided for in 2 CFR Part 200.
- Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally financed program in either the current or a prior period.
- Be adequately documented.

45 CFR Section 1356.21(m)(1) and 45 CFR Section 1356.60 (a)(1) and (c) establish guidelines for proper allocation of rates between maintenance and administrative expenditures in conformance with cost principles. Maintenance and administrative expenditure payments need to be properly calculated and in accordance with Title IV-E agency's policies to ensure only allowable costs are charged to the program. Rates used should be based upon established payment rates per the Title IV-Es agency's rate schedule for maintenance and administrative costs. The agency should establish foster care maintenance and administrative expenditure payment rates which provide only for costs which are necessary for the proper and efficient administration of the program, and which are for allowable costs. Further, periodic review of payment rates should be performed to ensure the rates' continuing appropriateness.

Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Section III – Federal Award Findings and Questioned Costs

Finding 2024-005 (continued)

Material Weakness/Noncompliance – Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Special Tests and Provisions – Payment Rate Setting and Application (continued)

During testing we identified instances where amounts claimed did not agree to amounts invoiced by providers. In addition, we identified several instances where the amount reimbursed was not calculated correctly. There were instances of over and underpayments as a result of clerical errors in rates entered into the SAWCIS, the statewide automated child welfare information system that assists in payment processing and case management. These over/under payments resulted in noncompliance with activities allowed or unallowed, allowable costs/cost principles, and special tests and provisions – payment rate setting and application as described above. We recommend the Children Services department implement additional monitoring procedures to ensure amounts claimed and amounts requested for reimbursement are input correctly and calculated in accordance with applicable compliance requirements.

Client Response:

See corrective action plan.

ALN Title and Number	Foster Care Title IV-E, AL #93.658		
Federal Award Number and Year	2024		
Federal Agency	United States Department of Health and Human Services		
Pass-Through Entity	Ohio Department of Job and Family Services		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	N/A

Finding 2024-006

Material Weakness/Noncompliance – Allowable Costs/Cost Principles

2 CFR 200 outlines the following policies required for a County spending for Foster Care Title IV-E funds:

- 2 CFR 200.302(b)(7) for determining the allowability of costs in accordance with Subpart E-Cost Principles;

During testing we noted that the County Children Services department did not have sufficient written policies addressing the above requirement. Failure to adopt and implement policies could lead to noncompliance with federal requirements. We recommend the County approve and implement the above policies to ensure compliance with federal requirements.

Client Response:

See corrective action plan.

Adams County Auditor

David Gifford

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*Corrective Action Plan
2 CFR Section 200.511(c)
For the Year Ended December 31, 2024*

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	Adams County officials have reviewed the cost of converting to GAAP reporting and have concluded that such conversion would not be financially feasible. Therefore, the County will continue reporting on the OCBOA basis of financial reporting.	N/A	David Gifford, County Auditor
2024-002	Adams County will work with their compiler to correct these issues going forward.	12/31/25	David Gifford, County Auditor
2024-003	The Commissioner's office will implement additional policies to ensure verification is performed to ensure a vendor is not suspended, debarred, or otherwise excluded from a project and to ensure documentation is maintained.	9/15/25	Adams County Commissioners
2024-004	The Commissioner's office will consult with legal counsel to update polices to meet requirements of 2 CFR 200.	12/31/25	Adams County Commissioners
2024-005	Training will occur with staff on the correct entry of rates into the SACWIS system and the importance of rates matching what was agreed to with the provider. Staff will review the invoices with the SACWIS entry prior to them being paid by the fiscal officer.	12/31/25	Sonya Meyer, Children Services Executive Director
2024-006	The Children Service Department will seek legal advice on the implementation of a policy that meets the requirements set for in 2 CFR 200.302(b)(7) for determining the allowability of costs in accordance with Subpart E-Cost Principles.	TBD	Sonya Meyer, Children Services Executive Director

Adams County Auditor

David Gifford

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Schedule of Prior Audit Findings

2 CRF Section 200.511(b)

For the Year Ended December 31, 2024

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
Finding 2023-001	Noncompliance with ORC Section 117.38/OAC Section 117-2-03(B) – Annual Financial Reports	No	Reissued as Finding 2024-001

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OHIO AUDITOR OF STATE KEITH FABER



ADAMS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/25/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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www.ohioauditor.gov